

FINANCE POLICY

Trustees' Responsibilities

In accordance with the Cheltenham u3a 2021 Constitution, sections 9 and 11, all trustees are jointly responsible for the financial activities and records, which are carried out through the Treasurer. The financial procedures are detailed below.

Charity Commission

Cheltenham u3a (Charity number 299146) lodges an annual return to the Charity Commission, detailing income and expenditure, names of trustees and other information. All expenditure must be in accordance with the Charities Act 2022.

Membership fees

The membership fee is to cover the cost of benefits, available to all members. Groups, open meetings, and events that are attended by a relatively small proportion of members need to cover their own costs.

Membership procedures are managed by the Membership Secretary. Subscriptions are paid by cheque, by PayPal, by bank transfer or with Cardnet.

Gift Aid

Gift Aid is an important aspect of our income and the Treasurer is responsible for lodging the annual claim with HMRC

Open Meetings

Open meetings are arranged with a range of speakers by the Speakers Secretary. A modest fee is charged to cover the room hire and the speaker's fee.

Expenditure

Groups may incur costs from hiring premises. These and incidental expenses necessary to run the group's activities are authorised by the Group Leaders. In case of doubt, or for any unusual expense, the Group Co-Ordinator has authority to agree such expenditure.

For central costs, the Chair has authority to agree expenditure. The Group Co-ordinator, the Chair or the Treasurer can refer any proposed expenditure to the Committee.

Group Accounting

Groups use one of the two systems to record group's income and expenditure. Whichever system is used, these funds are charitable and owned by u3a, rather than by the group members.

Under the Direct System, the Group Leader remits members' fees to the Treasury bank account, advising the Treasurer of the amount. The Group Leader sends room hire invoices to the Treasurer who arranges payment. The Treasurer updates the Beacon group statements and or Ledger (by group) as appropriate for both aspects.

Under the Self Accounting System (Indirect System), the Group Leader retains the fees from which he/she pays the rent and other expenses. He/she is responsible for entering these

amounts on the Beacon system, if they have access, and sending the Treasurer a quarterly return.

Banking

u3a uses Two Lloyds Bank current accounts, PayPal, and has a Lloyds Cardnet system.

Lloyds Bank current accounts

This account is operated on an online basis for payments, with twin signatures. Payments require two signatories. Changes to the bank mandate are agreed by the committee. Authorised signatories are the Chair, the Treasurer, the Business Secretary, and the Assistant Treasurer.

To support authorisation, the Treasurer will provide a copy invoice or other documentation when requesting authorisation of a payment. Signatories are responsible for checking the documentation prior to authorising a transfer.

A second bank account is used to collect members fees by bank transfer.

PayPal

This facility is offered to members, for new members to join and for existing members to renew their membership electronically.

The Treasurer transfers money from the PayPal account to the main Lloyds bank account.

Lloyds Cardnet account

This new facility is to enable attendees at Open Meetings to pay by credit card.

Accounting basis

From January 2022, annual accounts are drawn up on an Income and Expense basis. This enables the Committee to see where surpluses and deficits are occurring. Membership fees will be recorded in the year they are for and will be carried forward where appropriate. All other items will be recorded when received or paid. Where funds are held for Groups the amount held/owed at the beginning of the year will be carried forward.

Monthly management accounts are drawn up on a similar basis.

Inspection

The annual accounts are inspected by a local firm of Chartered Accountants, before they are presented to the u3a Cheltenham AGM.

Social activities

Events that are open to the whole membership, rather than just members of a group, such as outings and holidays are deemed to meet the charitable objectives in line with most other U3A's.

In such cases, the organiser needs to advise the Treasurer of an event planned in line with the HOLIDAY's POLICY 2024.

As u3a members offer their services free to the movement, the organiser must not receive any pecuniary reward for organising an event. The organiser of an event must not benefit from any discount (e.g. a free place) offered by the organisation providing the event. The value of free places must be shared among all participants to the event.

Asset register

An asset register is maintained by the Treasurer which records all material assets held including their purchase price, date of purchase and location. The register is reviewed annually.

Reserves

The Third Age Trust requires that a Reserve must be held in a separate account. Our reserve is held in an interest-bearing account with Lloyds Bank. Payments must be authorised by 2 signatories. The minimum reserve at end of the financial year shall be £5 per member, enough to cover 125% of the Third Age Trust capitation fee. At December 2023, we had 1,792 members, so we needed a reserve of £8,960.

This Finance Policy replaces that agreed in July 2023.

Stephanie Molyneux, Treasurer

Agreed by Committee 11 June 2024